

House Select Committee on Homeowners Associations

December 6, 2010

1:00 pm

The Select Committee on Homeowners Associations met on December 6, 2010 in room 421 of the Legislative Office Building at 1:00 pm. The following members were present: Cochairman McGee (presiding), Cochairman Weiss, and Representatives Cleveland, Heagarty, Howard and Wray. For visitors in attendance see the attached Visitors Attendance Sheet.

Representative McGee called the meeting to order and explained that this meeting was called for the committee members to revisit the findings and options (see attachment 1) and to decide on which items the committee would like to have legislation drafted for the upcoming session. He further stated that the following interests he had at the beginning of the interim committee were still valid:

1. HOA protection for all, HOA members as well as HOA officers
2. Disclosure and notice
3. HOA board knowledge
4. HOA board accessibility
5. HOA ownership- what is it and when does it begin?

Representative McGee stated that the committee is not required to have legislation drawn for the report, but his intent and Representative Weiss's intent was to have bills drawn for introduction in the upcoming session. Representative McGee asked Representative Weiss if she had any comments before beginning the discussion. Representative Weiss stated that she had heard a lot about this issue before the committee was formed, the staff had presented good information and it was now time for the committee to work together to find solutions for these problems. Representative McGee added that the condensed version of the Uniform Common Interest Owners Bill Of Rights Act was at the committee's disposal to use all or parts of to form legislation (see attachment #2).

The committee discussed issues surrounding the problems associated with the existing law, how effective or ineffective they are at the present time and the changes necessary to improve the law.

Representative McGee then recapped the committee's decisions with the following points to include in legislation for the upcoming session and points that need more work by the committee:

1. To use the Uniform Common Interest Owners Bill Of Rights Act to allow/require alternative dispute resolutions
2. To add to provisions governing board discretion and enforcement

3. To establish open meeting requirements
4. To enhance record keeping requirements
5. To include procedures for rules and assessments
6. To make changes in the installment payments and practices
7. Punitive damages on the HOA to hold individual officers accountable for willfully failing to follow the prescribed law (*more work by committee needed*)
8. Mandatory registration with the Real Estate Commission and others (*more work by committee needed*)
9. Full disclosure and sales documents
10. Provide requirements applicable to a home in a Planned Community
11. Declarant transfer issues (*include for this session but needs more work by committee*)
12. Enforcement of a lien
13. Payments made by owners are first allocated to unpaid assessments, then late charges, then attorneys' fees and other collection charges.
14. Solar access issues (*more work by committee needed*)

Representative McGee announced that the committee would need to meet again before session starts to prepare legislation for introduction and thanked everyone for their participation. The meeting adjourned at 2:58 pm.

Representative William C. McGee,
Cochair

Jayne A. Nelson,
Committee Assistant